

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE:	§	CASE NO. 25-30155
	§	
ALLIANCE FARM AND RANCH, LLC	§	
	§	
DEBTOR.	§	(CHAPTER 11)
	§	

**DEBTOR’S REPLY TO THE OSTRANDERS’ POST-HEARING
BRIEF IN SUPPORT OF MOTION TO DISMISS**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Alliance Farm and Ranch, LLC (the “Debtor”) files this *Reply to the Ostranders’ Post-Hearing Brief in Support of Motion to Dismiss*, and in support hereof, respectfully states as follows:

1. The Debtor files this reply to correct misstatements in the Ostranders’ brief. First, the Ostranders continue to assert that the Debtor has only one asset – the real property. This is incorrect. The Debtor has a valuable cause of action against the Ostranders. Further, it is apparent from evidence presented at the hearing that the Ostranders failed to properly foreclose on the Debtor’s personal property¹, valued at \$231,532.00 on the Debtor’s schedules. Further, since the Ostranders have been, or will be, made whole by the foreclosure and sale of the real property, it is likely that the personal property will be unencumbered.

2. The Ostranders claim that the Debtor “currently has no employees and had no employees in 2024.” This assertion is misleading. Jerod Furr testified that the Debtor operated the ranch in 2024, that the business generated income, and that the Debtor utilized contract labor.

¹ The Debtor has been unable to locate any documents that granted the Ostranders a perfected security interest in the personal property.

3. The Ostranders wholly ignore the benefit that will inure to the Debtor's largest unsecured creditor, Alliance Energy Partners, LLC. ("AEP"), from the continued prosecution of this case. AEP has over \$2 million in non-insider unsecured creditors that stand to gain from this case.

4. "Courts can determine good faith only on an ad hoc basis and must decide whether the petitioner has abused the provisions, purpose, or spirit of bankruptcy law." *In re Tamecki*, 229 F.3d 205, 207 (3d Cir. 2000). There is no such evidence before the Court. Further, "it is quite common and not inappropriate for a debtor to use chapter 11 to obtain a respite from a creditor or creditors aggressively seeking to collect on a debt, even when execution is imminent, provided that financial rehabilitation is possible." *In re McStay*, 82 B.R. 763, 768 (Bankr. E.D. Pa. 1988). The Debtor has presented ample evidence that it can formulate a plan that will provide a meaningful payment to its creditors, and by extension, the creditors of AEP.

WHEREFORE, the Debtor respectfully prays that this Court grant the Application; and grant the Debtor such other and further relief as this Court may deem just and proper.

Dated: April 16, 2025.

OKIN ADAMS BARTLETT CURRY LLP

By: /s/ Timothy L. Wentworth
Timothy L. Wentworth
Texas Bar No. 21179000
1113 Vine St., Suite 240
Houston, Texas 77002
Tel: 713.228.4100
Fax: 346.247.7158

**PROPOSED COUNSEL FOR ALLIANCE
FARM AND RANCH, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on April 16, 2025, a true and correct copy of the foregoing Reply was served via the Court's CM/ECF system and by United States First Class Mail to the parties listed on the attached service lists.

By: /s/ Timothy L. Wentworth
Timothy L. Wentworth

Label Matrix for local noticing

0541-4

Case 25-30155

Southern District of Texas

Houston

Mon Apr 7 14:22:35 CDT 2025

Alliance Energy Partners, LLC

20008 Champions Forest Dr., Suite 1203

Spring, TX 77379-8697

ALLIANCE FARM AND RANCH, LLC

5450 Honea Egypt Rd

Montgomery, TX 77316-2364

Alliance Energy Partners, LLC

5450 Honea Egypt Rd

Montgomery, TX 77316-2364

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United States Bankruptcy Court

PO Box 61010

Houston, TX 77208-1010

Dustin Etter

c/o Noah E. W. Meek

Irelan McDaniel, PLLC

2520 Caroline, 2nd Floor

Houston, TX 77004-1000

Erik and Darla Ostrander

20105 Krahn Rd.

Spring, TX 77388-4012

Reagan H. 'Tres' Gibbs, III

Cokinos Young

1221 Lamar, 16th Floor

Houston, TX 77010-3039

Timothy L. Wentworth

Okin Adams Bartlett Curry LLP

1113 Vine St., Suite 240

Houston, TX 77002-1044

US Trustee

Office of the US Trustee

515 Rusk Ave

Ste 3516

Houston, TX 77002-2604

United States Trustee's Office

515 Rusk St., Suite 3516

Houston, TX 77002-2604

Thaison Danny Hua

Rejas Hua & Hoang, PLLC

4909 Bissonnet St.

Ste. 100

Houston, TX 77401-4051

Timothy L. Wentworth

Okin Adams, LLP

1113 Vine St., Suite 240

Houston, TX 77002-1044

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(d)Alliance Farm and Ranch, LLC

5450 Honea Egypt Rd.

Montgomery, TX 77316-2364

(u)Dustin Etter

(u)Erik and Darla Ostrander

End of Label Matrix

Mailable recipients 12

Bypassed recipients 3

Total 15